

# PROMISING PRACTICES IN HOME AND COMMUNITY-BASED SERVICES

## *Vermont – Facilitating Nursing Facility to Community Transitions*

### **Issue: Diverting Nursing Facility Dollars for Community-Based Options**

#### Summary

The State of Vermont's legislature required reductions in nursing facility utilization and increases in home and community-based services in 1996. The State made several changes to meet this mandate, including: a change in the waiting list policy for Vermont's largest Medicaid HCBS waiver for older people and people with physical disabilities, a statewide system of local Long-Term Care Community Coalitions to improve the HCBS infrastructure, and a new Medicaid HCBS waiver for community residential options. Between 1996 and 2002, the share of Vermont's long-term care expenditures for older people and people with physical disabilities spent on nursing facilities decreased from 88 percent to 63 percent.

#### Introduction

Vermont passed landmark legislation in 1996 to shift resources from nursing facilities to a broad array of home and community-based services (HCBS). To implement the legislation, called Act 160, the Department of Aging and Disabilities (DA&D) implemented several programs, new services, and policy changes that offered individuals more choices for long-term services. As more people chose to receive their services outside nursing facilities, more funding was available for programs that promoted independent living opportunities for older people and people with physical disabilities.

This report briefly describes how the State of Vermont changed its long-term care system to reduce institutional reliance by supporting people with physical disabilities and older people in the most appropriate and least restrictive environment possible. All information is based on interviews with DA&D staff and publicly available materials from the DA&D web site (<http://www.dad.state.vt.us>).

#### Intervention

Vermont's legislature identified four primary goals for Act 160: 1) improve the state's independent living options for older people and people with physical disabilities; 2) create a climate where Vermonters may live in the most independent, least restrictive environments they choose; 3) decrease the growth of the Medicaid

nursing facility budget through the development of consumer options; and 4) redirect nursing facility dollars into HCBS with consumer participation and oversight in the planning and delivery of long-term care services.

Vermont's initiatives to achieve these goals include: the establishment of Long-Term Care Community Coalitions, a change in prioritization for Medicaid HCBS waivers for older people and people with physical disabilities, and a new Medicaid HCBS waiver called the Enhanced Residential Care Program.

#### *Long-Term Care Community Coalitions*

On July 1, 1996 the Vermont Legislature authorized an additional source of funding to expand and develop services for older people and people with physical disabilities who want to continue to live at home, but need help in order to do so. As part of Act 160, the law mandated the implementation of "a system of statewide long-term care service coordination and case management to minimize administrative costs, improve access to services and minimize obstacles to the delivery of long-term care services to people in need."

As a result of this charge, DA&D brought together providers of long term supports – including Area Agencies on Aging, home health agencies, adult day centers, nursing facilities, hospitals and residential care homes – to organize ten Long-Term Care Community Coalitions across Vermont. The coalitions – whose members include advocates and

consumers as well as providers – assume responsibility for the planning and coordination of their local long-term care systems. Coalitions meet on a regular basis, coordinate services, determine unmet needs and seek ways to improve the service capacity in their areas.

A primary component of the coalitions' work was to implement innovative strategies designed to reduce unnecessary nursing facility and hospital emergency room utilization. DA&D also asked coalitions to help the Department find ways to expand and develop new services, using the savings generated under Act 160. To date, coalitions have focused on development of volunteer caregiver registries, training personal care attendants, supporting the expansion of adult day programs, expanding home-delivered meal capacity, and educating physicians and the public about various long-term care options.

The coalitions receive a small amount of funding to meet administrative needs – \$7,000 per coalition per year in state fiscal year 2002. The state also distributes \$96,000 in flexible funds to the coalitions to purchase services and items for individuals for which no other sources of funds can be found.

#### *Prioritization*

In November of 1996, DA&D revised its admission procedures to the Medicaid Home and Community-Based waiver program and began to admit people based on need instead of their date of application. The waiver prioritization policy gives priority access to Medicaid HCBS waiver services to four applicant groups: 1) applicants who are in a nursing facility and wish to be discharged to a home and community-based setting but cannot do so unless waiver services are provided, 2) applicants who are in a hospital, wish to be discharged to a home and community-based setting, and who would be admitted to a nursing facility unless waiver services are provided, 3) applicants in the community at risk of significant harm unless waiver services are provided, and 4) applicants at risk of moving to a more restrictive setting unless waiver services are provided.

At the same time, DA&D established regional Designated Administrative Agencies to oversee the prioritization process. Ten local, private,

non-profit Designated Administrative Agencies -- either local home health agencies or Area Agencies on Aging (AAAs) – administer Vermont's Medicaid HCBS waivers for older people and people with physical disabilities at the local level. Local Medicaid HCBS waiver teams, which include local case managers from these agencies and staff from other local HCBS agencies, assess waiver applicants and determine whether applicants fall into one of the four priority groups.

DA&D reviews waiver enrollment monthly and allocates waiver resources to local Designated Administrative Agencies to ensure that priority applicants have consistent access to waiver services. Currently, priority applicants usually are able to access waiver services within 60 days, and often much faster.

#### *Enhanced Residential Care Program*

DA&D also established a new waiver, the Enhanced Residential Care Waiver (ERC), to offer a Medicaid-funded residential option. ERC provides 24-hour care at a licensed Residential Care Home, to delay or prevent nursing facility admission. Services available to ERC waiver participants include: case management by the local AAA or home health agency; nursing services (assessment, health monitoring, and routine nursing care is provided or supervised by a licensed registered nurse); personal care services; medication assistance; recreational and social activities; support for older people with Alzheimer's Disease or other dementia-related illnesses; 24-hour on-site supervision; and laundry and household services.

#### Implementation

Although many of the above changes can be implemented in other states, state staff identified a few advantages Vermont had during implementation. One advantage was Vermont's small size in terms of geography and population. For example, Vermont was able to create a small number of Long-Term Care Community Coalitions (ten) in which the providers, advocates, and consumers knew many of the other people involved in the long-term care system.

At the same time as Act 160, Vermont changed Medicaid nursing facility reimbursement to pay

nursing facilities based solely on the case-mix of their facilities' Medicaid population rather than on their total resident population. According to state staff, the change gave nursing facilities an incentive to focus on people who need rehabilitation or who have the most severe disabilities, and an incentive to support people with less severe disabilities if they want to move into the community.

### Impact

Since Act 160 was enacted, Vermont has witnessed a drop in nursing facility utilization and an increase in the utilization of waivers. Nursing facility occupancy is approximately 90%, compared to a historical peak of 98%. Between state fiscal years 1996 and 2002, the share of Vermont's long-term care expenditures, for older people and people with physical disabilities, spent on HCBS increased from 12 percent to 37 percent.

#### Discussion Question:

How could states adapt the Long-Term Care Coalitions to a large metropolitan area with many home health agencies and other community providers?

Between 1997 and 2002, total public expenditures for DA&D's Medicaid HCBS waivers increased more than four-fold and the number of people served almost doubled. Vermont currently serves 1,350 people per year through Medicaid HCBS waivers for older people and people with physical disabilities. The original waiver, which serves people in their own homes, serves 1,200 people per year and the Enhanced Residential Care waiver serves approximately 150 people per year.

### Contact Information

For more information about the changes in Vermont's long-term care system for older people and people with physical disabilities, please contact Joan Senecal, Director, Division of Advocacy and Independent Living at (802) 241-2326 or [joans@dad.state.vt.us](mailto:joans@dad.state.vt.us). Online information about Act 160 and the state's long-term care system is available at <http://www.dad.state.vt.us/library/>.

Amy Leventhal Stern, Ph.D., wrote this report, one of a series of reports by Medstat for the U.S. Centers for Medicare & Medicaid Services (CMS) highlighting promising practices in home and community-based services. The entire series will be available online at CMS' web site, <http://www.cms.gov>. This report is intended to share information about different approaches to offering home and community-based services. This report is not an endorsement of any practice.